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CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

中國神威藥業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2877)

CHANGE OF DIRECTORS

The Board announces that Mr. Hung Randy King Kuen has been appointed as an executive director of the Company with effect from 7 June 2005 and Mr. Hou Jiangtao has resigned as an executive director of the Company with effect from 7 June 2005.

APPOINTMENT OF MR. HUNG RANDY KING KUEN AS EXECUTIVE DIRECTOR

The board of directors (the "Board") of China Shineway Pharmaceutical Group Limited (the "Company") is pleased to announce that Mr. Hung Randy King Kuen has been appointed as an executive director of the Company with effect from 7 June 2005.

Mr. Hung, aged 39, holds a bachelor's degree of science in accounting and a certificate of programming and data processing from the University of Southern California, a certificate of China Accounting, Finance, Taxation and Law from the Chinese University of Hong Kong and a Hong Kong Securities Institute Specialist Certificate in corporate finance. He was the executive director and chief financial officer of T S Telecom Technologies Limited (Stock code: 8003) prior to July 2004. Mr. Hung is currently an independent non-executive director of ZZNode Holdings Company Limited (Stock Code: 2371), Zhongtian International Limited (Stock Code: 2379) and Zhongyu Gas Holdings Limited (Stock Code: 8070). Mr. Hung is a member of the American Institute of Certified Public Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, deputy chairman of training committee of the Hong Kong Institute of Directors and a member of the Hong Kong Securities Institutes.

Prior to his appointment as an executive director of the Company, Mr. Hung has not previously held any position with the Company or any of its subsidiaries. As at the date of this announcement, he is not connected with any directors, senior management, substantial or controlling shareholders of the Company and is interested in 50,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

Mr. Hung has entered into a service contract with the Company for a term of 3 years commencing from 7 June 2005 and is subject to retirement by rotation and re-election pursuant to the articles of association of the Company. His emolument is HK\$110,000 per month for 13 months and a discretionary bonus of HK\$90,000 per annum which is determined by arm's length negotiation between the Company and himself with reference to his duties and the prevailing market conditions.

The Board confirms that there are no other matters in relation to the appointment of Mr. Hung that need to be brought to the attention of the shareholders of the Company.

RESIGNATION OF MR. HOU JIANGTAO AS EXECUTIVE DIRECTOR OF THE COMPANY

The Board also announces that Mr. Hou Jiangtao resigned as an executive director of the Company with effect from 7 June 2005 for personal reasons of his own accord. Mr. Hou confirmed that he has no disagreement with the Board, and the Board is not aware of any matters relating to his resignation that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to welcome Mr. Hung to the Board and to express its thanks to Mr. Hou for his valuable contribution to the Company during his tenure of service.

By Order of the Board
Li Zhenjiang
Chairman

Hong Kong, 7 June 2005

As at the date of this announcement, the executive Directors are Mr. Li Zhenjiang, Ms. Wang Zhihua, Ms. Xin Yunxia, Mr. Li Huimin and Mr. Hung Randy King Kuen and the independent non-executive Directors are Mr. Li Kung Man, Dr. Wang Jianping and Prof. Zhou Chaofan.